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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

day of <u>Ququst</u>

Ohisley Weisner

nose addresss is <u>2409</u>	1100th Gle	n Dhìue. I	oet Wort	h, Texas	+6119		as Lesson
id, DALE PROPERTY SERVICES reinabove named as Lessee, but	, L.L.C., 2100 Ross A	renue, Suite 1870 I	Dallas Texas 7	'5201, as Lessee	. All printed portion	ns of this lease were pre	pared by the part
1. In consideration of a cash scribed land, hereinafter called lea	n bonus in hand paid a	and the covenants f	erein containe	d, Lessor hereby	grants, leases an	d lets exclusively to Let	ssee the followin
25 7 ACRES OF LAN	ID, MORE OR LES	SS, BEING LOT	(S)	3		, BLOCK	5
UT OF THE NOSHIN	Glen	·		,	ADDITION,	AN ADDITION TO	THE CITY OF
FORT WORTH	<u> </u>	್ಞ, <u>T</u> ARRANT C	OUNTY, TE	XAS, ACCOR	RDING TO TH	AT CERTAIN PLAT	r recordei
1 VOLUME 388 - 6	, PAGE	37	OF TH	E PLAT RECO	ORDS OF TAR	RANT COUNTY, T	EXAS.
the County of Tarrant, State of version, prescription or otherwise bestances produced in association mmercial gases, as well as hydrond now or hereafter owned by Lessor agrees to execute at Lessee determining the amount of any sh), for the purpose of e. n therewith (including carbon gases. In addi ssor which are contigue is request any additiona	xploring for, develop geophysical/seismic tion to the above-de ous or adjacent to the il or supplemental ins	ing, producing operations), scribed leased a above-descrit struments for a	and marketing of The term "gas" premises, this lead and leased premise more complete of	I and gas, along was used herein in ase also covers ac ses, and, in conside accurate description	cludes helium, carbon cretions and any small se eration of the aforemention of the land so covered	I non hydrocarbo, dioxide and othe strips or parcels o ioned cash bonus I. For the purpos
2. This lease, which is a "paic	l-up" lease requiring no	rentals, shall be in fo	orce for a prima	ry term of \underline{f} ; $ u$	<u>e</u>		
long thereafter as oil or gas or of herwise maintained in effect pursu	her substances covered	l hereby are produce	d in paying qua	intities from the le	eased premises or I	from lands pooled therev	vith or this lease i
3. Royalties on oil, gas and operated at Lessee's separator far sesor at the wellhead or to Lessor's wellhead market price then prevailing price) for production of the production, severance, or other excessee shall have the continuing right such price then prevailing in the esame or nearest preceding date ore wells on the leased premises ewalting on hydraulic fracture stime deemed to be producing in paying the paying the producing in paying the paying the paying the producing in paying the paying the paying the paying the producing in paying the paying	wher substances producibles, the royalty shall as credit at the oil purch as credit at the oil purch waiting in the same field similar grade and g	ced and saved here be two with - f and cor if there is no sivity; (b) for gas (in the proceeds realisticured by Lessee oduction at the prevanearest field in which essee commences in the are capable of either wells are either shippose of maintaining pay shut-in royalty efore the end of saids not being sold by I leased premises or I see's faillure to proper	jwe per ye facilities, proviuch price then cluding casing zed by Lessee in delivering, priling wellhead in there is such ts purchases hiner producing cut-in or product this lease. If if of one dollar price is provided and spooled the fully pay shut-in the producting content in the price is such that is lease. If if of one dollar price is such that is possible the provided and spooled the fully pay shut-in the price is provided the price is such that is provided that is provided the price is such that is provided the price is such that is provided that is p	ded that Lessee sprevailing in the shead gas) and from the sale trocessing or other narket price paid a prevailing price reunder; and (c) if or gas or other on there from is ror a period of 90 per acre then cover and thereafter or d that if this lease erewith, no shut-iroyalty shall rend	2%) of such productional have the confisame field, then in all other substanchereof, less a provision manufaction of situation of situa	ction, to be delivered at the nearest field in which cases covered hereby, the portionate part of ad vuch gas or other substan milar quality in the same parable purchase contrate primary term or any time defends in paying quantessee, such well or wells are should be made to	Lessee's option to such production a chithere is such a royalty shall be alorem taxes an ices, provided the field (or if there ists entered into one thereafter one of the thereafter or the thereafter or the thereafter or the thereafter one of the thereafter or the thereafter or the thereafter of the the thereafter of the the thereafter of the the thereafter of the thereafte
4. All shut-in royalty payment a Lessor's depository agent for recaft and such payments or tenders diress known to Lessee shall consyment hereunder, Lessor shall, at 5. Except as provided for in Femises or lands pooled therewith usuant to the provisions of Para evertheless remain in force if Less the leased premises or lands pooled the primary term, or at a vertice of the primary term, or at a perations reasonably calculated to be cessation of more than 90 consiere is production in paying quantificated except a production in paying quantificated except a promises ased premises from uncompensated tititional wells except as expressly	eiving payments regard to Lessor or to the departitute proper payment. Lessee's request, delivaragraph 3. above, if Liparagraph 6 or the action ee commences operationally time thereafter, this obtain or restore productive days, and if any time the leased prefits from the leased prefits as to formations then ed drainage by any we	lless of changes in the costion by deposit in if the depository shift a well with the reference of any governments of any governments of reworking and days after completions after completions deposite in the reference of the research that is the cost of the cost of the reference of the cost of the cost of the cost of the reference of the cost of the co	e ownership of the US Mails in the US Mails in could (Iquidate on the could (Iquidate on the could (Iquidate on the could (Iquidate) in authority, the existing well on of operations is being main lease shall remoult in the product the could in the product the could in the product of the could in the product of the could in the product of the could be c	said land. All paying a stamped environe be succeeded betrument naming are of producing in permanently cean in the event the for drilling an additional and an auch dry hole tained in force bearing in force so lor suction of oil or gather completion ceasonably pruden ntities on the learning a stamped on the learning as a stamped on th	ments or tenders in elope addressed to y another institution a paying quantities (sees from any causis lease is not old ditional well or for e or within 90 days at Lessee is then ear as any one or mis or other substan of a well capable of toperator would dresed premises or la	nay be made in currency of the depository or to the depository or to the as depository agent to rehereinafter called "dry his se, including a revision therwise being maintaine otherwise obtaining or reafter such cessation of a sengaged in drilling, rewoore of such operations a ices covered hereby, as for oducing in paying quill under the same or simulate poled therewith, or so to the deposition of the same or simulate poled therewith, or so to the deposition of the same or simulate poled therewith, or to the deposition of the same or simulate poled therewith, or to the deposition of the deposition o	, or by check or by Lessor at the late to accept refuse to accept the late of refuse to accept the late of unit boundaries of unit boundaries of unit boundaries of unit boundaries of the late of the
6. Lesses shall have the right of the rights or zones, and as to any or oper to do so in order to prudently all formed by such pooling for an orizontal completion shall not excee impletion to conform to any well state foregoing, the terms "oit well" escribed, "oil well" means a well well or more per barrel, based on a pulpinent; and the term "horizonta imponent thereof. In exercising it oduction, drilling or reworking operations on the leased of acreage covered by this lease is essee. Pooling in one or more insist formed hereunder by expansion escribed or permitted by the government in the sessed premises is included in or exercising it of the sessed premises is included in or exercising.	t but not the obligation all substances covered develop or operate the oil well which is not a he ed 640 acres plus a medicing or density patter and "gas well" shall he ith an initiat gas-oil ratic 24-hour production te al completion" means at completion means as pooling rights hereur erations anywhere on premises, except that it and included in the unit tances shall not exhaus nor contraction or both premental authority have all file of record a written cluded from the unit by ence of production in percental country in the production in percental country in the production in percental authority have and of production in percental country in the production in percental authority have a percental country in the production in percental country in the production in percental country in the percentage of t	by this lease, either leased premises, workloot premises, workloot and completion with the meanings proof less than 100,00 st conducted under an oil well in which the coll well in which the coll well in which the production on what bears to the total gest Lessee's pooling ran, either before or alting jurisdiction, or to a declaration of such revisitation of such revisitation and the production of the collection of the collection of the declaration of such revisitation of such revisitation and the collection of such revisitation	r before or after the there or not sishall not exceed ance of 10%; pribed or permitter escribed by applousing the horizontal color of record a way all or any particular the horizontal color of record a way all or any particular the proportions acreage of the proportion, the proportion, the proportion a unit, or upon	r the commencer milar pooling auth d 80 acres plus a rovided that a larged by any govern plicable law or the parrel and "gas value component of the gritten declaration of the leased parties of yalty is calculated or the unit, but on the unit, but on permanet or production y productive acre unit and stating the on of unit product permanent cesses	ment of production, ority exists with re- maximum acreaginger unit may be for mental authority had a appropriate gover well means a well with the acreaging standard least egross completion for cost completion in describing the unipremises shall be shall be that properly to the extent sure in in order to confage determination he effective date of tion on which royal tion thereof, Lesse	whenever Lessee deer spect to such other lands et tolerance of 10%, and med for an oit well or gataving jurisdiction to do sommental authority, or, if with an initial gas-oil ratite e separator facilities or interval in facilities or terval in the reservoir exit and stating the effective treated as if it were proortlon of the total unit proof proportion of unit proof in the well spacing made by such governm frevision. To the extent ties are payable hereunds and the work of the may terminate the unit end of the spacing made of the spacing made by such governm to the well spacing the same payable hereunds and the unit of the well spacing the work of the work of the well spacing the work of the wo	ms it necessary of or interests. The for a gas well or so well or so well or so well or so well or the purpos no definition is so of 100,000 cubic equivalent testin equivalent testin ceeds the verticate date of pooling duction, drilling coduction which the duction is soft of attorn to revise an or density patter ental authority. It any portion of the der shall thereafte

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's convership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days effer Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any Interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the nat acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling

production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to do so.

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

operations

ase may be executed in counterparts, each of which is deemed an original and all of which only constitute one original. DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

By: James, Weisner VR. By: Ship	Jey, Weisher
ACKNOWLEDGMENT	
May 14 annual Notary	Public, State of Tracks s name (printed): s commission expires:
STATE OF	, 2008,



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

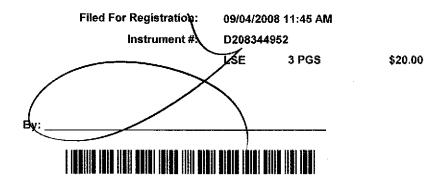
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D208344952

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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